

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-04049A
DS Water Company
P.O. Box 786
Desert Springs AZ 86432

RECEIVED

APR 14 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) <u>DS Water Company</u>			
Mailing Address <u>P.O. Box 786</u>			
<u>Desert Springs</u>		<u>AZ</u>	<u>86432</u>
(City)		(State)	(Zip)
<u>928-347-5467</u>	<u>928-347-5484</u>	<u>702-525-6074</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>pwynn@mesquiteweb.com</u>			
Local Office Mailing Address <u>See above</u>			
<u></u>		<u></u>	<u></u>
(City)		(State)	(Zip)
<u></u>	<u></u>	<u></u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u></u>			

MANAGEMENT INFORMATION

Management Contact: <u>Patti Wynn</u>			
<u>P.O. Box 786</u>		<u>Desert Springs</u>	<u>AZ</u>
(Street)		(City)	(State)
<u>928-347-5467</u>	<u>928-347-5484</u>	<u>702-525-6074</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>pwynn@mesquiteweb.com</u>			
On Site Manager: <u>Patti Wynn</u>			
<u>Physical address only</u>		(Name)	
<u>4103 East Fleet Street, Suite 200</u>	<u>Desert Springs</u>	<u>AZ</u>	<u>86432</u>
(Street)	(City)	(State)	(Zip)
<u>928-347-5467</u>	<u>928-347-5484</u>	<u>702-525-6074</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>pwynn@mesquiteweb.com</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Richard L. Sallquist Sallquist & Drummond, P.C.
 (Name)

2525 E. Arizona Biltmore Circle, Suite 117 Phoenix, AZ 85016-2129
 (Street) (City) (State) (Zip)

602-224-9222 602-224-9366 602-318-6359
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Richard L. Sallquist Sallquist & Drummond, P.C.
 (Name)

2525 E. Arizona Biltmore Circle, Suite 117 Phoenix, AZ 85016-2129
 (Street) (City) (State) (Zip)

602-224-9222 602-224-9366 602-318-6359
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME DS water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,056.80	422	634.80
302	Franchises	28,780.87	3,038	25,742.87
303	Land and Land Rights			
304	Structures and Improvements	23,015.56	2,480	20,535.56
307	Wells and Springs	11,215.00	1,621	9,594
309	Supply Mains	25,549.36	727	23,822.36
311	Pumping Equipment	46,750.72	14,685	32,065.72
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	37,572.42	4,668	32,904.42
331	Transmission and Distribution Mains	55,983.20	6,370	49,613.20
333	Services			
334	Meters and Meter Installations	30,617.88	6,309	24,308.88
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	8,000.00	3,200	4,800
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	24,064.73	17,360	6,704.73
346	Communication Equipment	4,308.75	2,797	1,511.75
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	295,915.29	63,677	232,238.29

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME DS water company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,056.80	20.00	211
302	Franchises	28,780.87	6.67	1,919
303	Land and Land Rights			
304	Structures and Improvements	23,015.56	3.33	768
307	Wells and Springs	11,215	3.33	374
309	Supply Mains	24,549.36	2.0	465
311	Pumping Equipment	46,750.72	12.50	5,845
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	37,572.42	2.22	835
331	Transmission and Distribution Mains	55,983.20	2.0	1,120
333	Services			
334	Meters and Meter Installations	30,617.88	8.30	2,537
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	8,000	20.0	1,600
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	24,064.73	5.0	1,203
346	Communication Equipment	4,308.75	10.0	431
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	295,915.29		17,308

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME DS Water Company

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 0	\$ 7,697.22
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2,094.72	2,403.90
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	3,872.00	3,779.32
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 5,966.72	\$ 13,880.44
	FIXED ASSETS		
101	Utility Plant in Service	\$ 286,855.97	\$ 295,915.29
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation -- Utility Plant	- 46,369	- 63,677
121	Non-Utility Property		
122	Accumulated Depreciation -- Non Utility		
	TOTAL FIXED ASSETS	\$ 240,486.97	\$ 232,238.29
	TOTAL ASSETS	\$ 246,453.69	\$ 246,118.73

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME DS water company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 1,528.63	\$ 5,932.50
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	42.90	
235	Customer Deposits	100.00	900.00
236	Accrued Taxes	1,355.56	772.02
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	260.84	892.56
	TOTAL CURRENT LIABILITIES	\$ 3,287.93	\$ 8,497.08
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 320,090.92	\$ 373,990.92
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	850.00	1,615.00
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 850.00	\$ 1,615.00
	TOTAL LIABILITIES	\$ 324,128.85	\$ 384,103.00
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 3,000.00	\$ 3,000.00
211	Paid in Capital in Excess of Par Value	108,000.00	108,000.00
215	Retained Earnings	-188,675.16	-248,984.27
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ -77,675.16	\$ -137,984.27
	TOTAL LIABILITIES AND CAPITAL	\$ 246,453.69	\$ 246,118.73

COMPANY NAME DS Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$ 1,295.28
460	Unmetered Water Revenue	14,029.40	42,941.98
474	Other Water Revenues	8,565.78	3,391.78
	TOTAL REVENUES	\$ 53,885.34	\$ 47,629.04
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 80,240.42	\$ 68,336.14
610	Purchased Water		
615	Purchased Power	2,646.41	2,414.12
618	Chemicals		
620	Repairs and Maintenance	8,938.82	4,409.10
621	Office Supplies and Expense		
630	Outside Services	5,760.05	3,646.76
635	Water Testing	1,040.95	1,493.95
641	Rents	566.10	340.00
650	Transportation Expenses	1,753.78	3,661.50
657	Insurance - General Liability	3,990.00	4,718.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	2,020.21	1,478.51
403	Depreciation Expense	15,799.00	17,308.00
408	Taxes Other Than Income	16.59	2.84
408.11	Property Taxes	381.34	165.31
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 123,153.67	\$ 107,974.23
	OPERATING INCOME/(LOSS)	\$ -69,268.33	\$ -60,345.19
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 1.95	\$ 36.08
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	-195.45	
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ -190.50	\$ 36.08
	NET INCOME/(LOSS)	\$ -69,458.83	\$ -60,309.11

COMPANY NAME DS Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	9/30/2004			
Source of Loan	Monte Holm			
ACC Decision No.				
Reason for Loan	Fund cash shortfall			
Dollar Amount Issued	\$ 373,990.92	\$	\$	\$
Amount Outstanding	\$ 373,990.92	\$	\$	\$
Date of Maturity	Upon Demand			
Interest Rate	2.0 %	%	%	%
Current Year Interest	\$ -0-	\$	\$	\$
Current Year Principle	\$ -0-	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 1,700.00

Meter Deposits Refunded During the Test Year

\$ 85.00

COMPANY NAME DS water company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-512262	20 Hp	186 gal/min.	51 ft.	8"	6"	1985

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Well #2 - Not in service		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5 Hp (50B2)	2	None	N/A
10 Hp (10DB2)	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
80,000	2	119 gallon	8

COMPANY NAME DS Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	6,104 ft.
3		
4	PVC	19,318 ft.
5		
6	PVC / C-900	5,585 ft.
8	PVC / C-900	1,500 ft.
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	79
3/4	
1	5
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

Well House

Pressurization House

OTHER:

125' Bridge over Virgin River

COMPANY NAME: DS Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	84	776,540	952,840
FEBRUARY	84	487,880	661,690
MARCH	83	712,890	942,050
APRIL	83	711,540	* see note below
MAY	83	1,147,540	
JUNE	82	1,168,490	
JULY	82	1,195,080	
AUGUST	83	1,316,580	
SEPTEMBER	84	1,132,010	
OCTOBER	84	885,160	▽
NOVEMBER	84	504,960	549,300
DECEMBER	84	485,200	533,340
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. 7 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

* In April of 2004 the meter on the well quit working. The meter was still under warranty so we had to send it back to the manufacturer for repair. After several trips back and forth between our well and the manufacturer, they were able to pinpoint the problem with the meter, repair it, and reinstall it properly. Therefore, we were unable to take meter readings at the well from April - October 2004.

COMPANY NAME OS Water Company

YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 165.31

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

CURRENCY	DATE	AMOUNT	DESCRIPTION
11/24/04	212.12		
11/24/04	22.72		
11/24/04	150.00		
11/24/04	21.09		
11/24/04	40.00		
11/24/04	212.12		

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

11/24/04 1004758 41

Ck# Date 11/24 Amt 212.12

CURRENCY	DATE	AMOUNT	DESCRIPTION
11/29/04	111.15		
11/29/04	23.67		
11/29/04	87.48		
11/29/04	23.67		
11/29/04	111.15		

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

11/29/04 1004758 41

Ck# Date 11/29 Amt 111.15

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/12/04

PAY TO THE ORDER OF: **Maricopa County Treasurer**

Five and 24/100 \$ 110.34

Maricopa County Treasurer
Don E. Goodlander
P.O. Box 712
Flagstaff, AZ 86003-0712

MEMO: Parcel #0023098

11/12/04 1004758 41

Ck# Date 11/17 Amt 10.24

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

10/15/04

PAY TO THE ORDER OF: **Waterlog**

Four and 24/100 \$ 10.24

Waterlog
P.O. Box 871
Beaver Dam, AZ 85632

MEMO: September 2004 Collium Testing

10/15/04 1004758 41

Ck# Date 11/01 Amt 48.00

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/1/04

PAY TO THE ORDER OF: **Juan Garcia**

One Thousand Two Hundred Twenty-Six and 41/100 \$ 1,226.41

Juan Garcia
P.O. Box 2241
Mesquite, NV 89024

MEMO: 10/15/04 - 10/31/04 Pay Period

11/1/04 1004758 41

Ck# Date 11/01 Amt 1,226.41

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/1/04

PAY TO THE ORDER OF: **Mesquite State Bank**

Eight Hundred Sixty-Two and 50/100 \$ 862.58

Mesquite State Bank

MEMO: 10/15/04 - 10/31/04 Pay Period

11/1/04 1004758 41

Ck# Date 11/01 Amt 862.58

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/2/04

PAY TO THE ORDER OF: **Paul A. Wynn**

Six Hundred Thirty-Four and 62/100 \$ 634.62

Paul A. Wynn
442 Valley View Circle
Mesquite, NV 89027

MEMO: 11/1/2004 - 11/30/2004 Pay Period

11/2/04 1004758 41

Ck# Date 11/05 Amt 634.62

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/2/04

PAY TO THE ORDER OF: **MC**

One Hundred and 97/100 \$ 10.97

MC
P.O. Box 88038
Louisville, KY 40288-0038

MEMO: Acct. #007588802

11/2/04 1004758 41

Ck# Date 11/10 Amt 19.97

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/2/04

PAY TO THE ORDER OF: **Beaver Dam Station**

One Hundred Ten and 35/100 \$ 110.35

Beaver Dam Station
P.O. Box 546
Beaver Dam, AZ 85632

MEMO: October 2004 Fuel Charges

11/2/04 1004758 41

Ck# Date 11/08 Amt 110.35

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/2/04

PAY TO THE ORDER OF: **CollierCo**

Four and 14/100 \$ 10.14

CollierCo
P.O. Box 17038
Phoenix, AZ 85061-0138

MEMO: Acct. #007581214

11/2/04 1004758 41

Ck# Date 11/15 Amt 53.14

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/16/04

PAY TO THE ORDER OF: **Juan Garcia**

One Thousand Two Hundred Twenty-Six and 42/100 \$ 1,226.42

Juan Garcia
P.O. Box 2241
Mesquite, NV 89024

MEMO: Pay Period: 11/1/2004 - 11/15/2004

11/16/04 1004758 41

Ck# Date 11/23 Amt 1,226.42

D S WATER COMPANY
P.O. BOX 790
CHERRY SPRING, AZ 85626

BANK OF NEVADA
ACCOUNT NO. 8327
94-210-1254

11/16/04

PAY TO THE ORDER OF: **Huber Holm**

Thirty-Nine and 60/100 \$ 39.60

Huber Holm
2274 South 1850 East
St. George, UT 84790

MEMO: Reimburse for Backhoe Parts

11/16/04 1004758 41

Ck# Date 11/23 Amt 39.60

1804

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/1/2004

PAY TO THE ORDER OF MCI \$ 12.21

Twelve and 21/100

MCI
P. O. Box 85003
Louisville, KY 40285-0033

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Acct. #00879062802

#001804# #122402104# 1004758# #0000001221#

Ck# 1804 Date 4/07 Amt 12.21

1805

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/1/2004

PAY TO THE ORDER OF Waterlogix \$ 35.00

Thirty-Five and 00/100

Waterlogix
P. O. Box 871
Beaver Dam, AZ 85432

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO February 2004 Collum Testing

#001805# #122402104# 1004758# #0000003500#

Ck# 1805 Date 4/13 Amt 35.00

1806

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/1/2004

PAY TO THE ORDER OF Waterlogix \$ 570.00

Five Hundred Seventy and 00/100

Waterlogix
P. O. Box 871
Beaver Dam, AZ 85432

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Microscopic Particulate Analysis

#001806# #122402104# 1004758# #0000005700#

Ck# 1806 Date 4/13 Amt 570.00

1807

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/1/2004

PAY TO THE ORDER OF Beaver Dam Station \$ 73.83

Seventy-Three and 83/100

Beaver Dam Station
P. O. Box 548
Beaver Dam, AZ 85432

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO March 2004 Fuel Charges

#001807# #122402104# 1004758# #0000007383#

Ck# 1807 Date 4/07 Amt 73.83

1817

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/15/2004

PAY TO THE ORDER OF Juan A. Gutierrez \$ 1,408.30

One Thousand Four Hundred Eight and 30/100

Juan A. Gutierrez
1554 W. Apple Dr.
St. George, UT 84770

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO 04/01/2004 - 04/15/2004 Pay Period

#001817# #122402104# 1004758# #0000001408#

Ck# 1807 Date 4/15 Amt 1,408.30

1808

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/1/2004

PAY TO THE ORDER OF Salquist & Drummond, P.C. \$ 323.25

Three Hundred Twenty-Three and 25/100

Salquist & Drummond, P.C.
2525 East Arizona Biltmore Cir. Ste A
Phoenix, AZ 85018-2120

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Acct. #25004-00000M

#001808# #122402104# 1004758# #0000003232#

Ck# 1808 Date 4/12 Amt 323.25

1809

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/1/2004

PAY TO THE ORDER OF CellularOne \$ 54.77

Fifty-Four and 77/100

CellularOne
P. O. Box 79128
Phoenix, AZ 85083-0128

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Acct. #514077250

#001809# #122402104# 1004758# #0000005477#

Ck# 1809 Date 4/28 Amt 54.77

1810

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/8/2004

PAY TO THE ORDER OF Obie Escalante Rural Electric Assn. \$ 151.02

One Hundred Fifty-One and 02/100

Obie Escalante Rural Electric Assn.
71 E Highway 55
HC 78 Box 95
Beryl UT 84714-5187

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Acct. #57305, #57304, #57354, #57335, #57358

#001810# #122402104# 1004758# #0000001510#

Ck# 1810 Date 4/15 Amt 151.02

1811

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/8/2004

PAY TO THE ORDER OF No Virgin Telephone Company \$ 35.33

Thirty-Five and 33/100

No Virgin Telephone Company
81 West Mesquite Blvd.
Mesquite NV 89027

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Acct. #4445771794

#001811# #122402104# 1004758# #0000003533#

Ck# 1811 Date 4/12 Amt 35.33

1812

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/8/2004

PAY TO THE ORDER OF Mesquite Lumber & Supply/Ace Hardware \$ 231.12

Two Hundred Thirty-One and 12/100

Mesquite Lumber & Supply/Ace Hardware
102 W Mesquite Blvd
Mesquite NV 89027

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Cmt. #25012

#001812# #122402104# 1004758# #0000002311#

Ck# 1812 Date 4/15 Amt 231.12

1814

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

4/8/2004

PAY TO THE ORDER OF FHW \$ 139.42

One Hundred Thirty-Nine and 42/100

FHW
Salt Lake City Admin #3205
12710 Colcordone Center Drive
Chicago, IL 60693-0000

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO Customer #10222

#001814# #122402104# 1004758# #0000001394#

Ck# 1814 Date 4/13 Amt 139.42

1815

D S WATER COMPANY
219 GARNET LANE
MESQUITE, NV 89027

BANK OF NEVADA
MESQUITE, NV 89027
94-210-1234

April 14, 2004

PAY TO THE ORDER OF ADOT \$ 168.57

One Hundred Sixty-Eight and 57/100

ADOT

AMOUNTS OVER \$100.00 REQUIRES TWO SIGNATURES

MEMO 1999 Dodge Registration

#001815# #122402104# 1004758# #0000001685#

Ck# 1815 Date 4/16 Amt 168.57

COMPANY NAME DS Water Company

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>- 60,355</u>
Estimated or Actual Federal Tax Liability	<u>None</u>

State Taxable Income Reported	<u>- 60,355</u>
Estimated or Actual State Tax Liability	<u>None</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>53,900</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>53,900</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Patti A. Wynn
SIGNATURE

4.12.05
DATE

Patti A. Wynn
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 14 2005

AZ Corporation Commission
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Mohave</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Patti Wynn, President</u>
COMPANY NAME	<u>PS Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 50,394.65

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,765.61
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

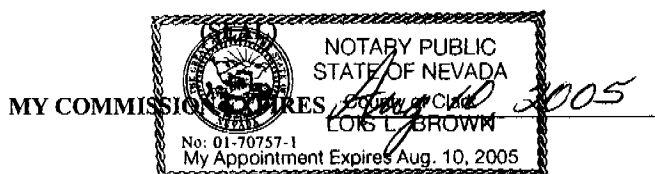
Patti Wynn
SIGNATURE OF OWNER OR OFFICIAL
928-347-5467
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

COUNTY NAME	<u>Clark</u>	
MONTH	<u>April</u>	<u>2005</u>



Long L. Brown
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 14 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MoHAVE</u>		
NAME (OWNER OR OFFICIAL) <u>Patti Wynn</u>	TITLE <u>President</u>	
COMPANY NAME <u>DS Water Company</u>		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 50,394.65

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 2,765.61

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Patti Wynn
SIGNATURE OF OWNER OR OFFICIAL

928-347-5467

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

NOTARY PUBLIC NAME <u>Lois L Brown</u>	
COUNTY NAME <u>Clark</u>	
MONTH <u>April</u>	YEAR <u>2005</u>

(SEAL)

MY COMMISSION EXPIRES Aug 10, 2005
NOTARY PUBLIC
STATE OF NEVADA
LOIS L. BROWN
No: 01-70757-1
My Appointment Expires Aug. 10, 2005

Lois L Brown
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

DS WATER COMPANY
Profit & Loss
 January through December 2004

	Jan - Dec 04
Ordinary Income/Expense	
Income	
400 · Operating Revenues	
400.460 · Unmetered Water Revenues	
460.1 · Unmetered Sales to Res Cust	42,941.98
Total 400.460 · Unmetered Water Revenues	42,941.98
400.461 · Metered Water Revenue	
461.1 · Metered Sales Residential Cust	1,295.28
Total 400.461 · Metered Water Revenue	1,295.28
400.473 · Additional Water Charges	
473.1 · Late Payment Charge	-733.22
473.10 · Deposit	800.00
473.2 · Establishment of Service	160.00
473.4 · Reconnection of Service	150.00
473.7 · Charge for NSF Check	15.00
Total 400.473 · Additional Water Charges	391.78
400.474 · Other Water Revenues	
474.1 · Impact Fees	3,000.00
Total 400.474 · Other Water Revenues	3,000.00
Total 400 · Operating Revenues	47,629.04
Total Income	47,629.04
Expense	
401 · Operating Expenses	
401.601 · Salaries & Wages-Employees	68,336.14
401.615 · Purchased Power	2,414.12
401.620 · Materials & Supplies	
620.2 · Line Maintenance & Supplies	773.09
620.3 · Equipment Repairs & Maintenance	3,188.54
620.5 · Tools (Small)	447.47
Total 401.620 · Materials & Supplies	4,409.10
401.631 · Contractual Services-Profession	
631.1 · Legal Fees	1,294.51
631.2 · Accounting Fees	2,232.25
Total 401.631 · Contractual Services-Profession	3,526.76
401.635 · Contractual Services-Testing	
635.1 · Water Tests	1,493.95
Total 401.635 · Contractual Services-Testing	1,493.95
401.636 · Contractual Services-Other	120.00
401.640 · Rents	
640.3 · BLM Land Lease	340.00
Total 401.640 · Rents	340.00
Total 401 · Operating Expenses	80,640.07
401.650 · Transportation Expense	
650.1 · Automobile Expense	2,209.19
650.2 · Diesel Fuel	1,452.31
Total 401.650 · Transportation Expense	3,661.50
401.655 · Insurance	
655.2 · Workman's Comp	1,900.00
655.4 · Liability Insurance	2,818.00
Total 401.655 · Insurance	4,718.00
401.675 · Miscellaneous Expense	
675.1 · Licenses and Permits	83.50
675.2 · Telephone	723.02

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04/12/05

Accrual Basis

DS WATER COMPANY
Profit & Loss
January through December 2004

	Jan - Dec 04
675.3 · Cell Phone	542.81
675.5 · Printing and Reproduction	129.13
675.8 · Bank Service Charges	0.05
Total 401.675 · Miscellaneous Expense	1,478.51
408 · Taxes Other than Income	
408.1 · Property Taxes	165.31
408.3 · Sales Tax Adjustment	2.84
Total 408 · Taxes Other than Income	168.15
Total Expense	90,666.23
Net Ordinary Income	-43,037.19
Other Income/Expense	
Other Income	
419 · Interest & Dividend Income	36.08
Total Other Income	36.08
Other Expense	
403 · Depreciation Expense	15,178.00
404 · Amortization Expense	2,130.00
Total Other Expense	17,308.00
Net Other Income	-17,271.92
Net Income	-60,309.11

DS WATER COMPANY

Balance Sheet

As of December 31, 2004

	Dec 31, 04
ASSETS	
Current Assets	
Checking/Savings	
131 · Cash	
131.001 · Bank of Nevada Checking	756.19
131.002 · Bank of Nevada Money Market	6,941.03
Total 131 · Cash	7,697.22
Total Checking/Savings	7,697.22
Accounts Receivable	
141 · Customer Accounts Receivable	2,403.90
Total Accounts Receivable	2,403.90
Other Current Assets	
151 · Inventory-Plant Materi/Supplies	
151.001 · Standby Wellhouse Pump	1,795.00
151 · Inventory-Plant Materi/Supplies - Other	1,984.32
Total 151 · Inventory-Plant Materi/Supplies	3,779.32
Total Other Current Assets	3,779.32
Total Current Assets	13,880.44
Fixed Assets	
101 · Utility Plant In Service - FA	
101.301 · Organization Expenses	1,056.80
101.302 · Franchises	28,780.87
101.304 · Structures & Improvements	23,015.56
101.307 · Wells - Start up	11,215.00
101.309 · Supply Mains	24,549.36
101.311 · Pumping Equipment	46,750.72
101.330 · Storage Tanks	37,572.42
101.331 · Transmission and Distr Mains	55,983.20
101.334 · Meters & Meter Installation	30,617.88
101.341 · Transportation Equipment-Truck	8,000.00
101.345 · Power Operated Equipment	24,064.73
101.346 · Communication Equipment	4,308.75
Total 101 · Utility Plant In Service - FA	295,915.29
108 · AD & Amort-Utility Plant in Svc	
108.301 · Accum Amort-Organization Exp	-211.00
108.302 · Accum Amort-Franchises	-3,249.00
108.304 · AD Structures & Improvements	-2,529.00
108.307 · AD Wells - Start up	-1,172.00
108.309 · AD - Supply Mains	-727.00
108.311 · AD - Pumping Equipment	-15,085.00
108.330 · AD - Storage Tanks	-4,668.00
108.331 · AD-Transmission and Distb Mains	-6,370.00
108.334 · AD-Meters & Meter Installation	-6,309.00
108.341 · AD-Transportation Equip - Truck	-3,200.00
108.345 · AD - Backhoe	-17,360.00
108.346 · AD - Communication Equipment	-2,797.00
Total 108 · AD & Amort-Utility Plant in Svc	-63,677.00
Total Fixed Assets	232,238.29
TOTAL ASSETS	246,118.73
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 · Accounts Payable	5,932.50
Total Accounts Payable	5,932.50

DS WATER COMPANY
Balance Sheet
As of December 31, 2004

	Dec 31, 04
Other Current Liabilities	
236 · Accrued Taxes	
236.001 · Payroll Liabilities	
.001C · Federal Unemployment Payable	2.00
Total 236.001 · Payroll Liabilities	2.00
236.002 · Sales Tax Payable	770.02
Total 236 · Accrued Taxes	772.02
241 · Misc Current & Accrued Liab	
241.002 · Penalties Payable	2.00
241.003 · Franchise Fee Payable	890.56
Total 241 · Misc Current & Accrued Liab	892.56
271 · Contributions-Aid of Construct	
271.002 · Service Line and Meter Advance	1,615.00
Total 271 · Contributions-Aid of Construct	1,615.00
Total Other Current Liabilities	3,279.58
Total Current Liabilities	9,212.08
Long Term Liabilities	
224 · Other Long-Term Debt	
224.004 · Due to Monte & Lisa Holm	373,990.92
Total 224 · Other Long-Term Debt	373,990.92
235 · Customer Deposits	900.00
Total Long Term Liabilities	374,890.92
Total Liabilities	384,103.00
Equity	
211 · Other Paid-In Capital	
211.001 · Capital	3,000.00
211.002 · Additonal Paid-In Capital	108,000.00
Total 211 · Other Paid-In Capital	111,000.00
215 · Retained Earnings	-188,675.16
Net Income	-60,309.11
Total Equity	-137,984.27
TOTAL LIABILITIES & EQUITY	246,118.73